

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
DIAMOND BAR ESTATES LLC DBA DIAMOND)	CASE NO. GNR-W-02-3
BAR ESTATES WATER COMPANY FOR A)	
CERTIFICATE OF PUBLIC CONVENIENCE)	NOTICE OF INTENT
AND NECESSITY AND FOR APPROVAL OF)	TO ISSUE CERTIFICATE OF
RELATED RATES AND CHARGES.)	PUBLIC CONVENIENCE AND
)	NECESSITY
)	
)	NOTICE OF HEARING
)	
)	NOTICE OF COMMENT
)	DEADLINE

On November 29, 2002, Diamond Bar Estates LLC dba Diamond Bar Estates Water Company (Diamond Bar; Company) filed an Application with the Idaho Public Utilities Commission for a Certificate of Public Convenience and Necessity to serve the Diamond Bar Estates Subdivision in Kootenai County, Idaho. The Company also requested approval of tariffs for related rates and charges. Reference Application Attachments, legal description and maps of subdivision and service area; *Idaho Code* § 61-526; Commission Rules of Procedure, IDAPA 31.01.01.111. Diamond Bar Estates is more particularly described as a portion of the North ½ of Section 3, Township 51 North, Range 4 West Boise-Meridian, Kootenai County, Idaho.

The Diamond Bar water system currently provides service to approximately 41 customers and when complete, will serve 45 households with water service. The Company indicates that initial service was started in 1994 by Diamond Bar Homeowners. On June 3, 2002, the Homeowners Association elected to turn the water system over to Diamond Bar Estates LLC. The Company proposes a 2001 test year and an annual revenue requirement of \$23,123. Commission Staff conducted an investigation and in filed comments proposes adjustments resulting in a revenue requirement of \$16,104. The Company in reply comments objects to some of Staff's adjustments.

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Domestic service is presently provided at a metered rate. Separate irrigation service (although also metered) is provided at a flat rate. The Company in its Application proposes two separate metered rates, one for domestic usage and one for irrigation. Staff in its comments recommends a fixed and variable rate design for all metered usage without a separate rate for irrigation. Several customers in comments recommend continuing the flat rate for irrigation.

The existing rates of the Company for residential customers are \$15 for the first 7500 gallons plus \$.95 per 1,000 gallons thereafter. Customers with irrigation service pay a flat fee of \$225 per year for irrigation.

The Commission in Order No. 29177 suspended the Company's proposed January 1, 2003 effective date and determined that the Company shall continue charging existing rates and charges until such time as the Commission issues an Order accepting, rejecting or modifying the Application.

On January 10, 2003, the Commission issued a Notice of Application, Public Workshop and Modified Procedure in Case No. GNR-W-02-3. A public workshop conducted by Commission Staff was held in Rathdrum, Idaho on February 11, 2003 to discuss the Company's Application.

The Commission determined that it was appropriate to process the Company's filing pursuant to Modified Procedure, i.e., by written submission rather than by hearing. Reference Commission Rules of Procedure, IDAPA 31.01.01.201-.204. The established deadlines for filing written comments were February 18, 2003 for customers and February 21, 2003 for Commission Staff. Company Reply comments were filed on March 17, 2003. Individual copies of Staff and Company Reply comments are being provided to all customers. Also being provided to customers is a copy of a Staff Decision Memorandum dated April 4, 2003 summarizing the comments filed and providing schedules of proposed revenue requirement adjustments and alternate rate designs.

YOU ARE HEREBY NOTIFIED that the Commission has reviewed the Company's Application and the filed comments of customers, Commission Staff and the Company and has preliminarily determined that Diamond Bar is operating as a public utility subject to Commission jurisdiction and that the present and/or future public convenience and necessity requires issuance

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of a Certificate of Public Convenience and Necessity. Reference *Idaho Code* §§ 61-526, 61-528; IDAPA 31.01.01.111.

YOU ARE FURTHER NOTIFIED that prior to issuance of a Certificate and approval of new rates and charges for Diamond Bar, however, the Commission based on its review of customer comments finds it reasonable to hold a hearing in northern Idaho near the Company's service territory to establish a formal transcript record of customer testimony and oral comments regarding the Company's Application and the various proposals for revenue requirement, rate design, and rates and charges.

YOU ARE FURTHER NOTIFIED that on **TUESDAY, APRIL 29, 2003**, the Commission by and through a designated Hearing Examiner will conduct a public hearing for the purpose of taking public comment and testimony on the Company's Application commencing at **7:00 P.M. AT THE RATHDRUM SENIOR CENTER, 805 MONTANA STREET, RATHDRUM, IDAHO.**

YOU ARE FURTHER NOTIFIED that the Commission will also take further written comments from customers concerning Case No. GNR-W-02-3 and the filed comments of Commission Staff and the Reply comments of the Company should customers prefer to give written as opposed to oral comments. Written comments should be mailed to the Commission and to the Company at the addresses reflected below:

COMMISSION SECRETARY
IDAHO PUBLIC UTILITIES
COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074

DIAMOND BAR ESTATES WATER COMPANY
2953 NORTH GOVERNMENT WAY
COEUR D'ALENE, IDAHO 83815

Street Address for Express Mail:

472 W WASHINGTON ST
BOISE, ID 83702-5983

The customer **deadline for filing written comments** is **Tuesday, May 6, 2003**. All comments should contain the case caption and case number shown on the first page of this document.

Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.state.id.us and clicking on the "Comments and

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Questions" button. Fill out the comment form, using the case number as it appears on the front of this document.

YOU ARE FURTHER NOTIFIED that the Application, Staff Comments, Company Reply, and Decision Memorandum in Case No. GNR-W-02-3 can be reviewed at the Company's office, 2953 North Government Way, Coeur d'Alene, Idaho 83815 (Telephone (208) 665-9200), at the Commission's offices, 472 West Washington, Boise, Idaho, during regular business hours, or on the Commission's web site, www.puc.state.id.us.

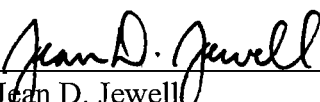
DATED at Boise, Idaho this 11th day of April 2003.


PAUL KJELLANDER, PRESIDENT

Out of the Office on this Date
MARSHA H. SMITH, COMMISSIONER


DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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